

**Exhibit 15**  
**SRF Construction Loans**  
**For Wastewater, Storm Water and Drinking Water Infrastructure**



Any time after the facility plan or preliminary engineering report is approved, the applicant may begin the process for an SRF construction loan. The process begins with:

- SRF staff attending design conference and presenting information, or
- SRF staff contacting community and asking if they are interested in construction loan, or
- Community contacting SRF anytime after the facility plan is approved.

The borrower fills out a loan application. Loan applications are available on the internet at [www.iowasrf.com](http://www.iowasrf.com) or by calling Lori Beary or Tracy Scebold at 515-725-4900 or toll free at 800-432-7230. Information requested on the application includes user rates, outstanding debt and financial information regarding the system.

SRF reviews the financial information, including:

- 1.1 debt service coverage
- user rate charges as % of AMI
- other outstanding debt – parity issues

SRF either approves the application or contacts the community to work toward approval. When approved, SRF sends a loan commitment letter with the estimated loan amount.

During this time, DNR is approving the plans & specifications for the project. When the construction permit is issued, the applicant will go out for bids for the project.

SRF then sends information to the borrower about closing the loan.

- contact bond counsel -- a public hearing and resolution are required by the city or system to enter into a loan agreement, bond counsel has standard forms
- disbursement process (see below)
- a preliminary debt service schedule

After the city awards the bid for the project, copies of the bid documents must be sent to SRF. DNR engineers will determine eligible expenses from the documents. The bid information will also be used to determine total project costs and the construction schedule.

SRF will examine the bid documents to note subcontractors for Minority and/or Women Business information to report to EPA.

SRF sends award concurrence to city.

Applicant closes loan with its bond counsel and sends loan document to SRF.

## **Disbursements**

Disbursements are made weekly.

The borrower will send the disbursement request to SRF. Disbursement requests can be completed online, faxed or mailed. Invoices will be faxed or mailed.

IFA reviews disbursement requests. Disbursements are checked against eligible expenses. If there is a discrepancy or questions arise, IFA will contact the DNR project engineer and the borrower.

Quarterly, the DNR SRF Coordinator will ask the borrower about MBE/WBE subcontractors.

Change orders -- DNR project engineer will verify acceptable expenses and notifies IFA of the change.

For final loan disbursement:

- borrower sends written notice of “works in operation” with date of initiation of operation
- IFA contacts DNR engineer for final inspection
- IFA sends final disbursement with final loan certificate and revised debt service schedule if necessary with final recap of project expenses and SRF disbursements.
- If total amount of original loan is not disbursed, city fills out request for loan adjustment.
- borrower fills out EPA Form 5700-52A to report utilization of MBE/WBE businesses for DNR SRF Coordinator

City signs final loan certificate and sends to IFA. IFA signs and sends to Trustee.

## **Loan Servicing**

Notices are sent to borrowers semiannually – payments are due in December and June.

IFA sends notices annually to all borrowers requesting audit reports.

Application forms are available at [www.iowasrf.com](http://www.iowasrf.com)

***For more information, contact:***

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